

STAFF REPORT

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| Agenda Item No.: | 8 |
| Work Plan: | State Forests Work Plan |
| Topic: | State Forests Management |
| Presentation Title: | State Forests Draft HCP and FMP Overview |
| Date of Presentation: | June 9, 2021 |
| Contact Information: | Liz Dent, State Forests Division Chief (503) 945-7351 Liz.F.Dent@Oregon.gov Cindy Kolomechuk, HCP Project Lead (503) 945-7731 Cindy.Kolomechuk@Oregon.gov Sarah Lathrop, FMP Project Lead (971) 283-0662 Sarah.B.Lathrop@oregon.gov |

CONTEXT

The Board of Forestry (Board) has directed the State Forests Division (Division) to explore potential State Forest management options. This direction included the development of a revised draft Western Oregon Forest Management Plan (draft FMP), which uses a take avoidance approach to Endangered Species Act (ESA) compliance, and a Western Oregon Habitat Conservation Plan (draft HCP) with an incidental take permit for ESA compliance. Should the HCP be the Board's preferred approach to ESA compliance, a companion FMP is needed to articulate the complete integrated forest management approach for state forest lands.

In November 2017, the Board approved a 3-phase approach to explore the possibility of a Western Oregon HCP:

- Phase 1: HCP Initiation/Scoping (*Timeline: Nov.2017-Nov.2018*)
- Phase 2: Strategy Development (*Timeline: Nov. 2018- March 2020*)
- Phase 3: National Environmental Policy Act (NEPA) analysis and consultation (*Timeline: March. 2020-Feb. 2023*)

The Division presented the deliverables of Phase 1 for Board consideration in November 2018, which included a business case analysis designed to evaluate potential financial implications resulting from an HCP as compared to the current FMP. The results provided a relative evaluation of potential outcomes if the Division continues to manage without an HCP as compared to with an HCP. Based on this work, the Board directed the Division to move into Phase 2: Strategy Development and Stakeholder Engagement.

Since November 2018, the Division collaborated with our state and federal sister agencies as well as the Counties, Tribes, interested stakeholders and members of the public to develop the draft HCP. The Division also completed a draft FMP for Board consideration in April 2020. The draft FMP was tabled until the draft HCP was available for consideration.

In October 2020, the Division presented the draft HCP to the Board for the decision on whether to move the HCP to Phase 3: NEPA Analysis. To assist the Board with evaluating potential management options, the Division included an analysis that compared three management

approaches – the draft HCP, the current FMP, and the more recent draft FMP. Both FMPs were based on a take avoidance approach to ESA compliance. In October 2020, the Board unanimously voted to direct staff to move to Phase 3: NEPA Analysis and consultation. Specifically, the Board directed staff to complete the [Draft Western Oregon State Forests HCP](#) and complete the NEPA process.

The companion Forest Management Plan will be developed concurrent with the NEPA process. It is anticipated that the NEPA process and the companion FMP will be complete in winter 2022. In February 2023, the Division will bring the fully vetted HCP and companion FMP to the Board for consideration and decision (Attachment 1: Working Project Timelines). The Division will be operating under the current Forest Management Plan until the Board directs otherwise.

The Division was awarded two \$1 million (\$750,000 federal, \$250,000 match) USFWS Technical Assistance grants to support the work completed on the HCP to date. ODF recently applied for an additional USFWS Technical Assistance grant for the same amount to support the NEPA process. If awarded, funds would be available fall 2021.

BACKGROUND AND ANALYSIS

All forest landowners must comply with the ESA. Currently the Division complies with the ESA through a process called take avoidance. State forest lands are managed in alignment with the current Forest Management Plan (FMP). Habitat is evaluated operation-by-operation and we conduct costly surveys for listed species. If a listed species is detected, management plans are either modified or may have to be dropped. Without an HCP, management activities are subject to new listings or changed federal conservation standards – placing additional uncertainties for future management activities.

An HCP is a programmatic Endangered Species Act (ESA) compliance tool involving an agreement between the Department of Forestry, the United States Fish and Wildlife Service (USFWS) and National Oceanic and Atmospheric Administration (NOAA) Fisheries that provides a holistic approach to complying with the Federal Endangered Species Act. The HCP establishes long-term commitments (70-year) to conservation and provides long-term assurances that forest management will continue, under a set of agreed upon conservation measures throughout the life of the HCP.

The draft HCP covers 639,489 acres of state forestlands west of the Cascades. The majority of these lands (96% or 613,734 acres) are Board of Forestry Lands and owned by the Department of Forestry, and the remaining 4% (25,755 acres) are Common School Forest Lands (CSFL) owned by the Department of State Lands. The draft HCP does not include the CSFL in the Elliott State Forest.

WESTERN OREGON HCP UPDATE

Since October, the full Administrative Draft HCP has been completed and provided on ODF's external website for public review. An executive summary of the HCP is provided in Attachment 2. A summary of the key changes made to the draft HCP since October are

described in Attachment 3. All HCP updates were provided to stakeholder groups in December 2020 and presented at the May 6th, 2021 FMP/HCP Meeting Open to the Public.

ODF is working with NOAA Fisheries and the USFWS to complete the NEPA process. This includes public scoping, development of the draft and final Environmental Impact Statement (EIS) and stakeholder engagement. As the applicant, ODF has hired a third-party consultant, ICF, to lead the technical project work, complete required analyses, and engage the public. ODF remains engaged as the applicant to assist as necessary and will provide regular updates to the Board throughout the process.

NEPA Part 1: Public Scoping

Scoping is a process for determining the scope of issues for analysis in an EIS. The Scoping process includes identifying the purpose and need, alternatives to the proposed action (i.e., the Western Oregon State Forests Draft HCP), and the environmental resource topics that need to be analyzed in the EIS. NOAA issued a notice of intent (NOI) to prepare an EIS on March 6th, 2021, which launched the public scoping process. This period typically lasts 30 days, but ODF requested and was granted a two-week extension to ensure that the public had an opportunity to review the HCP and provide informed feedback.

The NOI gives notice that an EIS will be prepared and announces public meetings and opportunity to provide comment. Information will be shared during public scoping about the proposed action, NEPA process, preliminary alternatives and issues, schedule, and areas of input sought. Public input can inform potential alternative actions, relevant data and information to consider, and issues to analyze in the EIS. Ultimately, the lead agency (NOAA Fisheries) determines the scope of the EIS: which alternatives will be analyzed, and which are dismissed; what resource issues will be analyzed, and which environmental resource topics are dismissed; and any connected actions that will be considered. The scoping process culminates with clearly defined alternatives and a detailed scope of issues to be analyzed in the EIS. At this point any additional analyses or data can be developed to support the EIS analyses. The information obtained during scoping will be used to inform the scope of work for the Draft EIS.

NEPA Part 2: Draft EIS

The Draft EIS will be conducted by NOAA and USFWS. It will describe the proposed action, no-action alternative (baseline for comparison) and any action alternatives developed from the Public Scoping process. For each of the environmental resources analyzed, the EIS will describe the existing conditions for the resource and potential impacts of the proposed action and alternatives on that resource.

The Notice of Availability of the Draft EIS and Draft HCP will be published in the Federal Register, which will launch the public review and comment period (minimum of 45 days). One or more public meetings will be held during this period and comments will be accepted on the Draft EIS and the Draft HCP.

Feedback provided during this period will be considered by ODF and the Services. Any significant changes to the proposed action (i.e., the Western Oregon State Forests Draft HCP) would require approval from the Services and the Board.

NEPA Part 3: Final EIS

The EIS will be updated, as needed, based on substantive comments. Responses to substantive comments on the HCP and EIS will be prepared and will be included in an appendix to the Final EIS. ODF will prepare draft responses to comments on the HCP. The Final EIS will also include a description of the public review and comment period and a summary of updates between Draft and Final EIS. The Notice of Availability of the Final EIS and Final HCP will be published in the *Federal Register*. This launches a 30-day waiting period during which comments can be submitted on the Final EIS. These comments will be reviewed by the Services, but no response is required. The agency decision document (Record of Decision) will be published after this 30-day period and prior to the permit decision. At the close of the project, ICF will provide all the project files to NOAA to inform the Administrative Record.

COMPANION FOREST MANAGEMENT PLAN UPDATE

In February 2021, the companion Western Oregon State Forests Management Plan (FMP) and Implementation Plans (IPs) Development Project was initiated. The purpose of the project is to develop a companion FMP and IPs for Western Oregon State Forests that implement HCP strategies, as well as strategies for forest resources not included in the HCP (e.g., cultural resources, recreation, air quality). The Implementation Plans will be developed simultaneously, on a staggered timeline, to ensure the Division has the necessary planning framework for timely execution of the HCP and FMP, should they be approved by the Board of Forestry. This project provides an opportunity to improve certainty around outcomes for the economic, environmental, and social components articulated in greatest permanent value.

The [draft FMP and supporting documents](#) submitted into the record on the consent agenda at the Board of Forestry Meeting in April 2020 provides a framework for the companion FMP. Included in that draft are Guiding Principles approved by the Board of Forestry which will provide the project team with a strong foundation to build upon. The Division has established an internal framework to oversee and track the project; develop the plan; analyze economic, social, and environmental benefits; and ensure operational feasibility. This framework includes engagement and direction from agency-level leadership to ensure this high priority work is understood within the context of overall Department and Division priorities. The development and analysis of the companion forest management plan is lead by Division subject matter experts, planning specialists, and field foresters. Additional review by field staff is built into the project to ensure FMP strategies can be implemented in an efficient and effective manner.

The Division will continue to collaborate with the counties through the statutorily established Forest Trust Lands Advisory Committee (FTLAC). This collaboration is critical to gain insights on county perspectives and seek solutions to concerns on how the companion FMP might influence counties, services for rural communities, schools, and forest-management related jobs. We will also continue to engage staff from partner state agencies, including the Department of Environmental Quality (DEQ), Oregon Department of Fish and Wildlife

(ODFW) and the Department of State Lands (DSL). The Division will continue working with Oregon Consensus and Kearns and West to assist with stakeholder engagement and facilitation needs.

County, Public, and Stakeholder Engagement

In April and May 2021, Kearns & West conducted interviews with a cross-section of stakeholders to understand best practices and lessons learned from the past engagement process as well as key concerns and suggestions heading into the FMP and IP development process. These stakeholder interviews provided an opportunity to better understand stakeholders' key interests, concerns, and perspectives as they relate to the FMP and IPs as well as understand how stakeholders prefer to be engaged throughout the process. Input from these interviews was used to develop the public and stakeholder engagement goals, and to shape the overall public and stakeholder engagement process.

The county, public and stakeholder engagement goals are to:

- Engage with FTLAC;
- Fully inform Counties, Tribes, stakeholders, and the public throughout the FMP and IP development process;
- Provide Counties, Tribes, stakeholders, and the public with opportunities to engage and offer input at multiple levels throughout the process;
- Better understand what Oregonians care about when it comes to forest management;
- Ensure partner state agencies are engaged as an integral part of the process and are supportive of the HCP and FMP outcomes;
- Provide clear expectations for how stakeholder and public input will be used and integrated into the FMP and IP documents; and
- Align engagement and outreach opportunities with related processes such as the HCP NEPA Process, Recreation, Education, and Interpretation (REI) Program Strategic Planning, Recreation Management Plan update, and other ODF processes.

Meetings Open to the Public

To date, the project team has conducted one meeting open to the public that included an overview of the State Forest planning levels and how they integrate with the draft HCP, an introduction to the project and the working timelines, the vision for the public engagement process and a question-and-answer period to discuss topics of most interest to participants. The meeting was held via webinar due to COVID-19 concerns and safety precautions.

ODF notification methods to inform stakeholders and the public about the meetings included:

- Email distributions to interested parties;
- Posts on ODF social media including Facebook and Twitter;
- Meeting notice via FlashAlert;
- Posts on the ODF news site; and
- Posts on the Western Oregon FMP and IP Project Page.

RECOMMENDATION

Information only.

NEXT STEPS

Over the next several months, the Division will:

- Continue tracking NEPA and engage with NOAA Fisheries and the USFWS as requested to complete the NEPA process;
- Develop framework for and begin drafting companion FMP in Summer 2021;
- Continue collaboration with counties through the FTLAC forum; and
- Continue engaging with state and federal agencies as well as the Counties, Tribes, interested stakeholders and members of the public on the HCP, and companion FMP and IP development projects.

ATTACHMENTS

1. Working Project Timelines (HCP, FMP, IP and AOPs)
2. HCP Executive Summary
3. HCP Key Changes

Working Project Timelines

Last Updated: 4/30/2021

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| HCP | Complete Draft HCP | | | | | | | | | Submit Permit App. | Public Review & Comment | | | | Complete Final HCP | | | | | BOF Decision | | | | | | | | | | |
| | | | Public Scoping | Complete Draft EIS | | | | | | Public Review & Comment | Complete Final EIS | | | | | | Publish Record of Decision | | | | | | | | | | | | | |
| NEPA | | Project Initiation & Planning | | | Draft FMP | | | | | | Refine Draft FMP | | | Rulemaking & Finalize FMP | | BOF Decision | | | | | | | | | | | | | | |
| | | | | Data Prep | Draft IPs - Includes modeling, analysis and plan development | | | | | | Refine IPs | | | Public Comment/ State Forester Approval | | | | | | | | | | | | | | | | |
| FMP | | FY24/25 AOP Candidates - Field Habitat Reviews | | | | | | Surveys, Recon, candidate finalization and draft AOPs (develop new AOP framework) | | | | Review & Finalize | | Public Comment & Approval | | | | | | | | | | | | | | | | |
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| IPs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AOPs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | 2021 | | | | | | | | | | | 2022 | | | | | | | | | | | 2023 | | | | | | | |

*Months highlighted in yellow are planned Board of Forestry engagements